

F C I - COUNTY PROCEDURE MANUAL

BEAN - COUNTY APPLICATION PROCEDURE FOR 1948

SECTION I

GENERALA. Bean Crop Insurance in 1948

This procedure outlines the technical phases of securing and processing applications for bean crop insurance and touches briefly on the selling of bean crop insurance. Insurance on dry edible beans is being initiated in four counties in 1948. The counties and classes of beans to be insured are as follows:

<u>County and State</u>	<u>Classes of Beans</u>
Huron County, Michigan	Pea Beans Medium White Beans
Jerome County, Idaho	Great Northern Beans Pinto Beans Small Red Beans
Wayne County, New York	Red Kidney Beans
Elbert County, Colorado	Pinto Beans

The counties selected are pioneering crop insurance on a new commodity and bear a responsibility to not only the bean producers in the selected counties but also to bean producers throughout the United States. The results achieved in these counties will assist in determining the need for the continuance or the broadening of the bean insurance program, and the type to be offered in future years. It is imperative that proper consideration be given to the quality of the insurance business written in a county. Steps have already been taken to identify in each county those producers and that land which constitutes an unduly high insurance risk which the Corporation should not assume.

There are in every county where bean crop insurance will be offered a group of farmers who are considered generally to be better than average producers, insofar as the regular production of beans is concerned. These farmers are the most desirable prospects for crop insurance. Salesman should concentrate, at least at the outset, on selling these producers crop insurance. County committeemen who are not working as salesmen should assist salesmen in selling crop insurance to these producers. By so doing they will not only be acquiring the better insurance in the county but should find it easier to interest other producers after the leading farmers are sold.

Bean producers should be made to realize that only by screening out both the land on which the risk involved is great and the producers who constitute a poor insurance risk, can the premium rates charged for bean crop insurance

be kept at a reasonable level. Any salesman, county office employee or committeeman should realize that an insurance application obtained from a producer who is known to be a poor insurance risk hinders rather than helps the crop insurance program in the county.

B. Minimum Participation Requirement

The Federal Crop Insurance Act provides that a minimum number of farms must be covered by applications for bean crop insurance filed in a county before insurance will be provided for beans in the county. The regulations provide that for this purpose an insurance unit shall be considered to be a farm. In order to meet the minimum participation requirement the number of insurance units covered by bean applications must equal 200 or one-third of the farms in the county normally producing the classes of beans insured in the county, whichever is the smaller. The Corporation will notify each county office of the minimum for that county.

Since an application will cover at least one insurance unit, the submission of 200 applications for bean crop insurance will meet this minimum. In counties where less than 600 farms normally produce beans, a number of applications equaling one-third of the farms normally producing beans will meet the minimum. If the number of applications filed is less than the minimum participation requirement established for beans for the county, it will be necessary to count the insurance units covered by the bean applications filed to determine whether the minimum has been met. If the minimum requirement is not met, it will be necessary for the Corporation to reject all applications.

SECTION II

1948 APPLICATIONS FOR BEAN CROP INSURANCE

A. Farms, Acreage, and Interest Covered by Applications

1. Farms--The farms on which the applicant desires insurance shall be specified on the application. The applicant should be encouraged to list on his application all insurable farms in the county in which he expects to have an interest in the beans to be planted. Where a tract of land described on the application does not constitute an entire insurance unit the entire acreage of insurable beans on the insurance unit will be taken into consideration (as explained in paragraph 2 below) in determining the loss, if any, on the insurance unit. A contract does not cover any acreage for which a coverage is not established by the Corporation before the 1948 closing date for filing applications for bean crop insurance. In cases where a farm is divided by the county line, all acreage of the farm for which a coverage is established by the Corporation on the form prescribed for use in that county before the 1948 closing date for filing applications for bean crop insurance will be deemed to be located in the county. Care must be taken to see that the location and description of each farm are clearly stated so that there will be no misunderstanding as to what land is insured.
2. Acreage--The applicant should be encouraged to insure all the bean acreage he expects to plant; however he may apply for insurance to cover only a

part of the bean acreage to be planted. Each farm must be specified on the application and the number of acres to be insured must be entered for each such farm. If an applicant will have an insurable interest in 30 acres of beans on an insurance unit, but applies for insurance to cover only 15 acres, the 15 acres to be insured cannot be any specified field or plot within the 30 acres. Should a loss occur in this case, one half of the loss determined for the 30 acres would be the loss for the 15 acres covered by insurance.

If the applicant applies for insurance to cover only a part of the total bean acreage to be planted on any insurance unit, such part must be enough to afford him substantial protection. For example, if the applicant expects to plant 20 acres of beans, 10 acres may give him substantial protection; but if he expects to plant 30 acres, 5 acres would not give him substantial protection. The applicant should not apply for insurance on a larger number of acres of beans on any farm than he expects to plant thereon.

3. Interest or Share--The share(s) which the applicant expects to have in the bean crop at the time of planting shall be entered for each farm on the application. The insured interest for each farm covered by the application will be that shown on the application, or any revision thereof approved by the Corporation, or the actual interest of the insured in the crop at the time of planting, whichever the Corporation elects.
4. Revision of Application on or Before the Closing Date--If after submitting an application, but not later than the closing date, an applicant desires to (a) add another farm or to delete one from the application, or (b) to increase or decrease the acreage of beans to be insured for any farm shown on the application, or (c) to increase or decrease the share in his crop as shown on the application, he may submit a Form FCI-2, "Agreement," to accomplish any or all of these purposes. All such revisions must be submitted to the county office on or before the closing date for receiving applications in the county.
5. Reduction of Acreage Shown on Application After the Closing Date--The acreage shown on the application cannot be revised after the closing date unless the acreage actually planted to beans on the insurance unit is less than that shown on the application for the insurance unit. If the planted acreage is less than the acreage shown on the application the applicant may submit to the county office, satisfactory evidence, based on measurements, ACP acreage figures or acceptable estimates, showing the total acreage of beans planted on the insurance unit. This evidence, is to be submitted on or before July 15, 1948. The Corporation reserves the right to accept such evidence or to otherwise determine the acreage planted to beans. Details regarding the processing of such requests will be discussed in the County Acreage Report Procedure to be issued later.
6. Rejection or Limitation by Corporation--An application for insurance may be rejected by the Corporation in its entirety or with respect to any definitely identified acreage.

B. Informing Producers of Coverages and Premium Rates

Under the 1948 bean crop insurance program, all counties will have established coverages and premium rates by areas on aerial photographs. The job of correctly informing a bean producer of the coverage and rate applicable to his farm becomes one of great importance. It is important that the information regarding coverages and premium rates furnished a producer at the time of filing an application be correct and clearly understood by him. In cases where the land worked by a producer is in two or more coverage and rate areas, as shown on the crop insurance map, the greatest care must be exercised to be sure that he understands what part of his land lies in each such area. Counties have been provided sufficient copies of the aerial photographs to permit salesmen to use such photographs in properly informing producers of coverages and rates. Although the use of aerial photographs as a source of information involves a certain knowledge of, and skill in, the use of aerial photographs, the use of any other method of getting the required information to a bean producer becomes less dependable as the number of coverage and premium rate areas in the county increases. If a list of insurable producers showing the coverage and rate applicable to their land is used for informing producers, it must be prepared with great care. It should be done by someone in the county office who is familiar with the location and ownership of land. If the applicant's land is close to the boundary line of a coverage and rate area or is widely scattered and parts thereof are likely to be located in different coverage and rate areas, the salesman should locate this land on the map at the time the sale is made in order to be certain that the data furnished the applicant is correct.

C. Closing Date for Filing Applications

Applications must be submitted to a salesman or to the county office on or before April 30, 1948, for Jerome County, Idaho, May 15, 1948 for Elbert County, Colorado and May 31, 1948 for Huron County, Michigan and Wayne County, New York, or the beginning of planting of beans on any insurance unit in the county in which the applicant has an interest, whichever occurs first. An application received through the mail after the closing date may be considered as filed by the closing date if the envelope is postmarked on or before such date. Where an application signed on or before the closing date is received through the mail within a day or two after the closing date and the envelope does not bear a postmark, it may be considered as having been filed by the closing date.

D. Absentee Landlord or Owner

An application for bean crop insurance shall be prepared in the county office for signature and mailed to each absentee landlord or owner together with a copy of the bean leaflet on 1948 crop insurance. The accompanying letter to such person shall state that if insurance is desired, the signed application must be returned and the envelope must bear a postmark not later than the closing date. The letter should also contain the farm location, legal description and any other available identification data, and where practicable the coverage and premium rate per acre applicable to each farm in the county in which the county office records show that he has an interest. Such person should be informed that this data is for his use in preparing and submitting his application.

The letter should also advise the absentee landlord or owner that if he wishes to apply for bean crop insurance he must enter on the application in Item D, for each farm to be insured, (1) the location or description of the farm, (2) the number of acres of beans to be insured, (3) the interest he expects to have in the bean crop, and (4) the name of any person, other than the applicant, who will have a share in the crop.

Each such absentee landlord or owner should be asked to verify or correct the list of farms in which he has an interest, since this information will be needed for making any correction in the information regarding coverage and premium rates furnished him, and in determining what constitutes each insurance unit.

E. Signatures

If a person is acting in a fiduciary or representative capacity and also in an individual capacity, or if he is acting in more than one fiduciary or representative capacity, one application will cover only one capacity in which such person is acting. A separate application must be submitted for each capacity for which insurance is desired. Also, where a person files an application in an individual capacity, such application will not cover his interest in a partnership.

All signatures, including that of the witness should be affixed with indelible pencil or ink and must be in the original handwriting of the person signing. Some states require two witnesses when a signature is affixed by mark (X).

Any signature on an application, by mark (X) or otherwise, should include at least one given name, an initial, if any, and the surname. A married woman should use her own given name and initial (not those of her husband) unless she is acting in a representative or fiduciary capacity for an applicant, in which case she should sign her name as it is listed in the power-of-attorney or other document authorizing her to act for the applicant.

When a person signs an application in a representative capacity he must show (1) the name of the principal, for whom he is acting, (2) his own signature, and (3) the capacity in which he signs.

The examples of signatures set forth below are for use as a guide in securing signatures on applications for crop insurance.

1. Signature of a Person For and on Behalf of Himself

a. As an individual:

- (1) John R. Doe
- (2) J. Henry Doe, Jr.
- (3) Mary L. Doe

b. In the case of joint-owners or joint-operators each should sign the application as an individual.

2. Signatures of Persons Signing in Representative Capacities

- a. As agent:
 - (1) John J. Doe by Richard R. Roe, Agent
 - (2) Jones and Smith, a Partnership, by Richard R. Roe, Agent
 - (3) ABC Company, Inc., by Richard R. Roe, Agent
- b. As member of a partnership:
 - (1) Smith and Jones, by R. John Smith, a partner
- c. As officer of a corporation:
 - (1) ABC Company, Inc., by Richard R. Roe, President
(or other officer)
- d. As executor or administrator:
 - (1) John H. Doe, Executor (Administrator)
of the Estate of Richard R. Roe, Deceased.
- e. As guardian, committee, or conservator:
 - (1) John H. Doe, Guardian (Committee or Conservator) of the
Estate of J. Harry Roe, Minor (or Incompetent)
- f. As trustee:
 - (1) John H. Roe, Trustee for the Heirs of Richard R. Roe,
Deceased
- g. As state, county, or municipal officer:
 - (1) Douglas County, Michigan, By John J. Doe, County Commission.

F. Premiums

1. General

By signing the application for crop insurance, the applicant executes a note for payment of the premium. However, applicants should be encouraged to take advantage of the cash discount which is offered for full payment of the premium on or before the closing date. Even though the applicant transfers all or a part of his interest in the insured crop, he is still liable for the payment of the premium.

Any payment made on the premium shall be handled by the county committee in accordance with General Procedure 5, including the issuance by the committee of a Form FCI-13, "Receipt," to the insured. A Form FCI-13 shall not be issued by the salesman but shall be issued by the county committee. The county committee shall send a Form FCI-13 to the applicant for any payment made to the salesman. If a producer desires to pay the premium in cash, such payment must be made at the county office. However, the salesman may accept checks, bank drafts, postal notes, or money orders, made payable to the Treasurer of the United States.

All premium collections shall be transmitted daily in accordance with General Procedure 5.

2. Completing Column 5

Column 5 must be completed in all cases prior to transmission of the applications to the State Director. Before entering the insurance unit numbers, review carefully the insurance unit definition. An insurance unit includes (a) the entire insurable acreage of beans in the county in which the insured has 100% interest at the time of planting, or (b) the entire acreage in the county owned by one person and farmed by the insured as a share tenant, or (c) the entire acreage in the county owned by the insured and farmed by one share tenant. Column 5 should be completed as follows:

Where two or more tracts of land are listed on the application (a) enter in line 1, column 5, the figure 1, (b) enter in the succeeding lines in column 5, the figure 1, for any other tracts of land which are a part of the same insurance unit, (c) in case an insurance unit number has not been entered in column 5 for one or more tracts, enter the figure 2 on the first such line, (d) enter in the succeeding lines in column 5, the figure 2, for any other tracts of land which are a part of that insurance unit, and (e) in case an insurance unit number has not been entered in column 5 for one or more tracts, determine and enter the insurance unit number as set forth above.

G. Computation of Premium

All columns in Item J, Computation of Premium, must be completed by the salesman or county office in those cases where the applicant pays his premium in full on or before the calendar closing date. Only columns 6 and 7 must be completed by the county office in all other cases, prior to transmitting the applications to the State Director. Rounding should be performed after each computation and in accordance with §421.37 of the regulations. The insured's share (column 3) should be used as a decimal fraction in any computation. For example: $1/4 = .250$; $1/3 = .333$; $2/3 = .667$, etc.

As above specified, the columns should be completed as follows:

- a. Column 6. Enter the coverage area number shown on the crop insurance map for the land described on the corresponding line in Item D.
- b. Column 7. Enter the premium rate per acre as shown on the county actuarial table applicable for the coverage area number entered in column 6.
- c. Column 8. Compute and enter the premium (Columns 2x3x8) for the insured acreage entered in column 2. The entries in column 8 should be totaled and the total premium entered in the space provided.
- d. Column 9 (Cash Discount). Enter in the applicable spaces the amount of premium paid and the date it was paid by the insured. The amount shall be arrived at by deducting 5% from the total at the bottom of Column 8 if the premium has been paid in full on or before the closing date. (See Bean Sales Handbook for sample of completed Form FCI-812-B)

G. Insurance Unit

An insurance unit is the insurable acreage considered in determining a loss, if any. Where a tract of land described on the application does not constitute an entire insurance unit, the entire acreage of insurable beans on the insurance unit will be taken into consideration in determining the amount of loss, if any, on the insurance unit. The county committee should make sure that each salesman thoroughly understand what constitutes an insurance unit.

An insurance unit includes (1) all the insurable acreage of beans in the county in which the insured has 100% interest in the crop at the time of planting, or (2) all the insurable acreage of beans in the county owned by one person which is operated by the insured as a share tenant, or (3) all the insurable acreage of beans in the county which is owned by the insured and is rented to one share tenant. Land rented for cash or for a fixed commodity payment shall be considered to be owned by the lessee. Insurance units are not limited to farm boundaries.

H. Numbering Applications

The state and county code and application number shall be entered on the application when it is returned to the county office. These entries shall be made promptly on all applications, in accordance with the following instructions, even though the application temporarily may be suspended later and held in the county office, or recommended for rejection.

Permanent numbers were assigned for insured producers in 1947, and these permanent numbers previously assigned will be retained. This is necessary so that records of a producer for various years can be filed together in branch, state or county offices and because the records in the branch office of premiums owed are kept by contract numbers on mechanical equipment. A permanent number will be assigned to the application of each producer who applies for insurance in 1948 unless a permanent number has already been assigned for that producer. These numbers, as well as permanent numbers previously assigned, will be used in connection with applications for all insurable crops in the county. After a permanent number is assigned, it shall not be reassigned to another producer even though the producer to whom the number was assigned is not now insured.

In order to make certain the same number is not assigned to more than one producer, the numerical list and alphabetical list or card index of insured producers prepared under a 1947 crop insurance program shall be carefully checked to determine that it is correct. If an alphabetical list or a card index has not previously been prepared, one shall be prepared showing in alphabetical order all producers for whom permanent numbers have already been assigned and the permanent numbers assigned them. If a numerical list has not been prepared previously, one shall be prepared listing the application numbers and names of producers.

Prior to assigning a number to each 1948 application, a careful check of the alphabetical list shall be made to ascertain whether the producer involved has already been assigned a permanent number. Producers who were not

previously assigned permanent numbers, shall be assigned numbers consecutively, beginning with the first unassigned number. Their name, and permanent number shall be added immediately to the numerical list and to the card index or alphabetical list.

I. Sales Report

Each crop insurance salesman (including each county office employee who sells crop insurance) shall prepare a sales report using Form FCI-1, "Agent's Sales Report."

All such reports shall be reviewed by the county committee, or someone designated by it, for completeness. The applications accompanying each report shall be reconciled with the report.

After the application number has been assigned to the application, as set forth above, it shall be entered (by the county office) on the applicable line in column (E) of the report.

After the application has been listed on Form FCI-15, the original of the report shall be filed in the county office.

J. Review, Recommendation, and Certification of County Committee

1. Quality-All applications shall be reviewed by the county committee jointly with a representative of the State Director, to determine whether or not they should be recommended for acceptance. The State Director will make arrangements for his representative to be in the county office periodically to make this review with the county committee.

In this review, consideration shall be given to all the factors which would unduly increase the risk of loss to the Corporation, if the application were accepted. The major factors which shall be considered are set forth below, together with appropriate action to be taken:

- a. Loss Risk. The loss risk will involve the risk on the applicant as a producer and the risk on the farm, if the farm where the crop will be insured is known. Consideration should be given to the applicant's ability as a bean producer including the care that he ordinarily takes of his crops. The known risk as it relates to the farm has already been considered in establishing coverages and rates but subsequent circumstances may have altered the risk. Particular attention should be given to whether for the crop year 1948 there is higher than ordinary probability of loss on the farm. This may involve (1) temporary hazards to production in 1948 such as higher than ordinary probability of flood, or (2) the current physical condition of the farm, or (3) the operator for 1948, or (4) the previous insurance experience with the applicant. In cases where the county committee believes that the risk of loss on one or more insurance units or part(s) thereof, listed on the application, in which the applicant has an interest is either underterminable or is too great to justify the insurance applied for, and a coverage has been established for

such acreage, the county committee shall prepare and attach a statement of facts, in triplicate, which shall clearly identify the acreage involving such risk. The statement should also contain a recommendation of the county committee as to whether the insurance on such insurance units or parts thereof should be rejected.

- b. Indebtedness of the Applicant. If the applicant owes \$1.00 or more on any past due premium indebtedness, this indebtedness, or the amount of the 1948 premium, shall be collected before the application is recommended for acceptance, except that an application may be recommended for acceptance if an earned payment under any program administered by the United States Department of Agriculture is available and sufficient to cover past due premium indebtedness. However, if the amount of indebtedness is over \$1.00 but is a small amount as compared with the premium, and for that reason the county committee feels that the application should be recommended for acceptance without collecting the indebtedness or the 1948 premium in advance, they should make their recommendation in an attached memorandum setting forth the facts.

If the application cannot be recommended for acceptance in view of the foregoing, the application shall be suspended and a notice shall be sent to the applicant informing him that the payment must be made or the county committee will not be permitted to recommend acceptance by the Corporation. The applicant may make such payment on or before the closing date, or within 15 days after the application is submitted, whichever is later. If the payment is not made within the time specified, the county committee shall recommend rejection of the application. In such cases a brief statement of facts, together with a copy of the request for payment of the indebtedness shall be attached to the application and submitted to the Corporation in accordance with Section III of this procedure.

- c. Selectivity. If the county committee finds that the applicant has applied for insurance on a unit or units including his high risk farms, but has not applied for insurance on a unit or units including his low risk farms the committee should recommend rejection of the application

In all such cases a statement of facts should be attached to the application and submitted in accordance with Section III of this procedure.

- d. Size of Acreage. (1) If the county committee finds that the number of acres of beans to be insured does not represent a reasonable portion of the total bean acreage, the committee should recommend rejection of the application (2) If the county committee finds that an application covers only a negligible number of acres of beans (even though that acreage represents all of the applicant's insurable bean acreage) the committee should recommend rejection of the application, since the premium earned might not justify the cost of handling.

In all cases a statement of facts should be attached to the application and submitted in accordance with Section III of this procedure.

- e. Distribution of Insurance Business. The procedure for establishing coverages and rates provides for starting during the application period a map entitled "Map of Crop Insurance Experience - 1948." As applications are received in the county office a dot should be entered on the county map to indicate the approximate location of each applicant's farming operation. This map shall be used to determine the concentration of insurance as it appears during the application period. If the concentration of applications in any area appears to be much heavier than in other areas in the county, the county committee should arrange its sales plan for wider distribution of the insurance. The map will thus serve as a guide in writing insurance during the application period and will also be used later to plot the loss geographically. Application numbers may be entered on the map adjacent to the dot for the application if the county office feels that it is necessary to facilitate plotting loss experience by contracts. If it is not possible to enter the application numbers on the map at the time the work is started on the map, these may be entered later as time permits.

2. Completeness and Accuracy. The review of an application shall also be made for completeness and accuracy. In past crop insurance programs, frequently an application was submitted to the Corporation with one or more of the required entries either omitted or incomplete or incorrect. It is therefore essential that the review of applications by the county committee be thoroughly and carefully made in order to determine that the applications are complete and correct.

The county committee should determine that an adequate description or location is entered in column 1 of Item D. If a description appears inadequate or incorrect it should be checked with the applicant and the salesman taking the application should be further instructed.

- a. If any of the following items are incomplete or incorrect, the county committee may make the necessary entries or corrections:

- (1) Name of county or state.

- (2) Printed name of applicant and address of applicant, if known.

If there is a discrepancy in the printed name of the applicant and the applicant's signature, the county committee should prepare a statement of facts indicating that the printed name and his signature are for one and the same person.

- b. If either the number of acres to be insured (Column 2) or the insured's share in the crop (Column 3) is omitted, the county committee shall request the applicant to supply the information on or before the closing date or within 15 days after the application is submitted,

whichever is the later. If the information is not supplied with this time limit, the application shall be transmitted to the State Crop Insurance Director with the space(s) left blank.

- c. If no name is entered in Column 4, when an entry other than all or 100% is given in Column 3, the county committee shall proceed as outlined in item b above.
- d. If the entries in column 5 have not been completed this should be done on all applications in accordance with paragraph F, 2 of this section.
- e. If the signature of the applicant is omitted, the applicant himself must sign the application on or before the closing date. If the signature of the applicant is incomplete, the county committee shall request the applicant to complete the signature before the closing date or within 15 days after the application has been submitted, whichever is the later. Form FCI-2 shall not be used to obtain the signature of the applicant for the application, but may be used to complete a signature appearing on the application. In reviewing applications, the county committee shall give special attention to signatures affixed in a representative capacity in order that it may be sure those signatures are affixed in accordance with instructions set forth in Section II, E, and that the person signing has authority to act in the capacity indicated. Written evidence of such authority to act in a representative capacity must be on file in the county office or county courthouse.
- f. The entries in columns 6 and 7 should be verified against the source of information (County Actuarial Table and related material including the crop insurance map). If the applicant has paid his premium in full on or before the county closing date the computations in Column 8 and the amount paid (Column 9) should be rechecked. If errors are found in any computation a line should be drawn through the incorrect entry and the correct figure(s) entered. If the amount of premium was underpaid by the applicant because of an error in computation, he should be given the opportunity to pay the additional amount of premium. If this amount is not paid within 10 days after the closing date for accepting applications no discount will be allowed.

3. Certification. If, after the review as set forth in paragraphs 1 and 2 above is made, an application appears to be acceptable, a member of the county committee shall so indicate by signing the application and entering the date in the space provided in item H of FCI-812-B.

If the county committee does not recommend acceptance of the application, the certificate of the county committee shall not be executed. In all such cases, a statement of all facts, together with the committee's recommendation, shall be prepared in triplicate and attached to the application.

Since the applicant has until and including the county closing date to pay his premium in order to secure a 5% discount and to make revisions of acreages, all applications should be held in the county office until the day after the closing date. Every effort must be made to transmit all applications (except those suspended) to the State Director on the day following the closing date.

All applications, whether or not they are recommended for acceptance, shall be forwarded to the State Crop Insurance Director in accordance with Section III. Applications temporarily suspended by the committee shall be handled in accordance with the applicable parts of Sections III and IV.

In no case shall the application be released to the applicant after it is filed with the county committee. If, however, a producer wishes to withdraw his offer prior to acceptance of the application by the State Director, a record should be made of such request in the county office and the applicant's request which must be in writing, shall be attached to the application.

4. General Procedure 4 Cases. Where this procedure does not cover an individual meritorious case, the county committee should submit the case to the State Director in accordance with General Procedure 4.

SECTION III

TRANSMITTAL OF APPLICATION

A. Preparing the Transmittal Sheet (Form FCI-15)

1. Enter the state and county code.
2. Enter "Forms FCI-812-B" following the words "Transmittal of."
3. No entries shall be made in the space provided for "Price card serial number" and "Basic market or area."
4. Insert the word "Beans" in the space provided for the "Name of (the) Commodity." Applications for any other commodity shall not be included on a Form FCI-15 being prepared for beans.
5. Enter the transmittal number which shall be assigned consecutively to each Form FCI-15 transmitting bean applications, beginning with number 1. Each rediform set of Form FCI-15 is a separate transmittal sheet and shall be numbered accordingly.
6. Enter the date of preparation of the transmittal.
7. Enter in column (A) in numerical order the application number shown at the top of the application.

Applications suspended for any reason and temporarily held in the county office shall be listed in their regular sequence and in the regular manner on the Form FCI-15. A line shall then be drawn through the data on Form FCI-15 for those applications and the word "Suspended" shall be entered in the "Remarks" column.

Applications which are not recommended by the county committee for acceptance shall be listed in their regular sequence and in the regular manner on Form FCI-15. For all these cases, the words "statement attached" shall be placed in the "Remarks" column.

8. Make no entry in columns (C), (D), (E), (F) or (G).
9. Enter in column (C) the name of the applicant.
10. Enter in column (H) the notations as required in item 7 above and any other remarks the county committee deems advisable.
11. A member of the county committee or an authorized representative of the county committee shall sign Form FCI-15 in the space provided.

B. Transmittal of Applications Which Are Not Suspended

The original and state office copy of the Form FCI-15, together with all copies of the application, shall be forwarded to the office of the State Crop Insurance Director as soon as possible after the county closing date. The county office copy of Form FCI-15 shall be filed.

C. Transmittal of Suspended Applications

When a suspended application is cleared by the county committee, or it is determined that the suspended application cannot be cleared, the application shall be listed immediately in the regular manner on a Form FCI-15 plainly marked "Supplemental" in the space provided for the transmittal number. Where it is determined that a suspended application cannot be cleared, the county committee shall attach to the application a statement of facts and its recommendations prepared in triplicate. No transmittal sheet number shall be assigned to the Form FCI-15 used for transmitting applications which previously had been suspended. As a cross-reference, the county committee shall insert in the column headed "Remarks" on a supplemental Form FCI-15 the transmittal sheet number upon which the application was originally listed.

SECTION IV

CORRECTING, REVISING, OR SUPPLEMENTING ENTRIES ON THE APPLICATION BY THE USE OF FORM FCI-2, "AGREEMENT"

A. Changes Requiring Approval of Applicant

Form FCI-2, "Agreement," may be used to correct or complete an incorrect or incomplete signature on the application but in no case shall it be used to obtain the signature of the applicant for the application.

B. Changes That May Be Made by the County Committee

After applications are transmitted to the office of the State Crop Insurance Director, the county committee may find it necessary to correct, revise, or supplement entries appearing thereon which do not require the approval of the applicant. Such changes should be accomplished through the use of Form FCI-2.

C. Substitution of Insured

If an applicant for insurance or the insured dies or is judicially declared incompetent during the period beginning fifteen days before the closing date for the county and ending when bean planting is begun, whoever succeeds him on the farm (with the right to plant the bean crop as his heir(s), administrator, executor, committee or conservator) may be substituted for the original applicant upon filing with the office of the county association within the time limit set forth below a request that such substitution be made. Such request shall be filed on Form FCI-2 within fifteen days after the date of death or judicial declaration, or before the beginning of planting, whichever is earlier, and shall include an agreement to assume the obligations of the original applicant arising out of the contract.

D. Preparation of the Form FCI-2, "Agreement"

1. Enter the state and county code and application number, which must be identical with that shown on the related application form.

2. Enter the name of the insured crop.
3. Type or print the name of the insured producer in paragraph 1.
4. Enter in paragraph 2 the form number and title of the application.
5. In paragraph 2 in the space provided, enter the correction or revision that is to be made, together with the reasons therefor. Reference should be made to the specific item(s) being corrected or revised.
6. The signature of the insured shall be obtained in paragraph 2 for those cases requiring his approval and the date of the signature shall be entered.
7. A member of the county committee shall recommend acceptance by entering the date and affixing his signature in paragraph 3.
8. Paragraph 4 of Form FCI-2 is for the use of the Corporation field representative in connection with loss adjustment work.
9. Paragraph 5 is for the use of the Corporation.
10. Enter a check mark (✓) in paragraph 6 to indicate the office originating Form FCI-2.

E. Distribution of Agreement

1. Copies of Form FCI-2 shall be distributed as set forth in Section V of this procedure.
2. Forms FCI-2 transmitted by the county committee to the State Crop Insurance Director after the applications have been forwarded shall be listed on Form FCI-15 prepared in the regular manner, except that the words "Form FCI-2" shall be shown in the space provided for transmittal number and no transmittal number shall be assigned to the Form FCI-15.

SECTION V

DISTRIBUTION OF FORMS

A. Form FCI-1, "Agent's Sales Report"

1. Original filed in the county office.
2. Copy retained by the salesman.

B. Form FCI-2, "Agreement"

When Form FCI-2 relating to an application for insurance is originated by the county committee, all copies except the originating office copy shall be forwarded to the State Crop Insurance Director. All copies of Form FCI-2 prepared by the State Crop Insurance Director which require county committee recommendation shall be forwarded through the state committee to the county office. Upon obtaining such recommendation, Form FCI-2 shall be returned through the state committee to the State Crop Insurance Director. Upon

receipt of the approved county office copy from the state office, it shall be attached to the related copy of the contract on file in the county office. The state office will forward the insured's copy of Form FCI-2 to him.

C. Form FCI-812-B, "Application for Bean Crop Insurance"

All applications shall be forwarded to the State Crop Insurance Director who will make distribution as follows:

1. Original - to the Branch Office.
2. Insured's Copy - to him, together with a copy of the regulations.
3. County office copy - to the county office.
4. State office copy - filed in the state office.

D. Form FCI-15, "Transmittal Sheet"

1. The original and the state office copy of Form FCI-15, together with all the related applications listed thereon, and attachments, if any, shall be transmitted to the State Crop Insurance Director.
2. The county office copy of Form FCI-15 shall be retained in the county office files.

E. Form FCI-20, "Collateral Assignment"

After the county office has received its copy of the accepted application and has approved Form FCI-20:

1. On the following Monday, the original and the state office copy of Form FCI-20 shall be forwarded to the State Crop Insurance Director.
2. The assignor shall be furnished his copy.
3. The assignee shall be furnished his copy.
4. The county office copy shall be retained in the county office and filed with the related contract.

